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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA**

Joe And Misun Gillespie , husband and wife,)	No.
Plaintiffs,)	
)	COMPLAINT
v.)	
J.R. Brothers Financial, Inc. ; an Arizona)	JURY TRIAL DEMANDED
corporation; Arrowhead Anesthesia)	
Physicians, P.C. , an Arizona corporation; Dr.)	
Paul D. Montanarella And Jane Doe)	
Montanarella ; husband and wife; John And)	
Jane Does I-V , husband and wife; Black And)	
White Business Entities I-V , corporations.)	
)	
Defendants.)	

Plaintiffs Joe and Misun Gillspie, ("Plaintiffs"), for their Complaint against Defendants, allege as follows:

PARTIES, JURISDICTION AND VENUE

1. Plaintiffs JOE GILLESPIE and MISUN GILLESPIE, husband and wife, reside in Maricopa County, Arizona.

2. Defendant J.R. BROTHERS FINANCIAL, INC., ("J.R. BROTHERS") is an Arizona Corporation doing business as a debt collection agency in Maricopa County, Arizona.

3. Defendant ARROWHEAD ANESTHESIA PHYSICIANS, P.C., ("ARROWHEAD") is an Arizona Professional Corporation doing business in Maricopa County, Arizona as a health care provider of anesthesia services.

1 10. DR. MONTANARELLA and ARROWHEAD mistakenly and improperly
2 billed this procedure with Plaintiff's insurance company, Humana, as an "outpatient"
3 procedure instead of as an "emergency" procedure.

4 11. Because of this mistake in billing, Plaintiff's insurance company, Humana,
5 would not pay ARROWHEAD's bill.

6 12. Humana informed Plaintiff that it would pay the bill if ARROWHEAD
7 would re-submit the bill as an emergency procedure.

8 13. From April 2008 through March of 2009 Plaintiff repeatedly informed
9 ARROWHEAD that it needed to re-submit the bill as an emergency procedure so that
10 Humana would pay for it.

11 14. Despite Plaintiff's demands to correct the billing ARROWHEAD continued
12 to bill the procedure as "outpatient" instead of as an "emergency," and Humana did not
13 pay the bill.

14 15. In approximately April of 2009, ARROWHEAD sent the bill to Defendant
15 J.R. BROTHERS, a debt collection agency.

16 16. J.R. BROTHERS became the agent for ARROWHEAD and DR.
17 MONTANARELLA in collecting on this alleged debt.

18 17. In approximately April of 2009, J.R. BROTHERS, on behalf of
19 ARROWHEAD, reported this alleged ARROWHEAD debt to the credit reporting
20 agencies and this alleged debt was placed on Plaintiff JOE GILLESPIE's credit report.

21 18. In April of 2009, Plaintiff JOE GILLESPIE sent a letter to Defendant J.R.
22 BROTHERS and disputed the debt.

23 19. From May 2009 through April of 2011, Plaintiff JOE GILLESPIE
24 continued to receive collection letters from J.R. BROTHERS and he continued to dispute
25 the debt.

26 20. Plaintiff JOE GILLESPIE never received verification of the debt after he
27 disputed it.

28

1 21. In August of 2011, Plaintiffs received a letter from Humana in the form of
2 an Explanation of Benefits informing Plaintiffs that it had paid the bill from
3 ARROWHEAD.

4 22. In September of 2011, Plaintiff JOE GILLESPIE contacted ARROWHEAD
5 and ARROWHEAD verified that its bill had been paid in full and no outstanding amounts
6 were owed. ARROWHEAD told JOE GILLESPIE that the debt should have been
7 recalled from collection sometime ago and they would recall it again. ARROWHEAD
8 thereafter sent Plaintiff a copy of a statement showing a zero balance.

9 23. JOE GILLESPIE thereafter disputed the debt through the credit reporting
10 agencies' online dispute process.

11 24. J.R. BROTHERS received notice of this dispute from the credit reporting
12 agencies.

13 25. In October 2011, despite ARROWHEAD having been paid and this debt
14 having been supposedly recalled from collection by ARROWHEAD, Defendant J.R.
15 BROTHERS reported to the credit reporting agencies that J.R. BROTHERS reconfirmed
16 the ARROWHEAD debt and that it was a valid debt.

17 26. In October 2011, J.R. BROTHERS sent Plaintiff JOE GILLESPIE another
18 dunning letter to which Plaintiff responded in frustration that the debt was not valid, he
19 did not owe the debt and not to contact him again.

20 27. In addition, around this same time period of October 2011, Defendant J.R.
21 BROTHERS reported and added this alleged debt to Plaintiff MISUN GILLESPIE's
22 credit report indicating it was an unpaid debt after it had been paid in full and
23 J.R.BROTHERS had been given specific notice many times that there was no debt to
24 collect.

25 28. Plaintiff MISUN GILLESPIE never received notice from Defendant J.R.
26 BROTHERS or ARROWHEAD that this adverse credit item had been reported on her
27 credit report.

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1 29. In March of 2012, Plaintiff MISUN GILLESPIE discovered that this
2 alleged debt had been reported on her credit report and Plaintiffs disputed the item with
3 Defendant J.R. BROTHERS financial and the credit reporting agency.

4 30. In March of 2012, Plaintiff JOE GILLESPIE again contacted
5 ARROWHEAD and ARROWHEAD informed JOE GILLESPIE that the debt had been
6 recalled from collection "some time ago" and that there was a zero balance owing.

7 31. ARROWHEAD continued to have its agent, J.R. BROTHERS seek to
8 collect on this debt despite that it had been paid because ARROWHEAD failed to take
9 effective action to ensure that its agent, J.R. BROTHERS, ceased collection activities on
10 this debt.

11 32. Without conducting any reasonable investigation, Defendant J.R.
12 BROTHERS reconfirmed the ARROWHEAD debt as a valid debt with the credit
13 reporting agencies.

14 33. On approximately March 20, 2012, ARROWHEAD faxed to JOE
15 GILLESPIE a statement showing that the full payment had been made to ARROWHEAD
16 in early September of 2011.

17 34. In the Spring of 2012, Plaintiffs were in the process of purchasing a home.

18 35. Because of the incorrect and invalid debt to ARROWHEAD that was
19 reported and not reasonably investigated or removed by J.R. BROTHERS on Plaintiffs'
20 credit reports, Plaintiffs were turned down for a required prequalification letter and also
21 had several offers on homes rejected because Plaintiffs were unable to obtain
22 conventional financing and were only able to obtain FHA financing.

23 36. The adverse credit report significantly delayed Plaintiff's home purchase
24 and occurred at a time when home prices in the North Central Phoenix area were rapidly
25 rising.

26 37. Plaintiffs could have purchased a home for price that was much less than
27 what they ended up with because of delays caused by the incorrect and adverse debt
28 reported by J.R. BROTHERS to credit reporting agencies.

